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# Village of Albany, Louisiana

## Annual Financial Report

Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, signed and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 2 5 1998

Village of Albany, Louisiana

General Purpose Financial Statements  
 As of and for the Year Ended June 30, 1997  
 With Supplemental Information Schedules

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Village of Albany, Louisiana

General Purpose Financial Statements  
As of and for the Year Ended June 30, 1997  
With Supplemental Information Schedules

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**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1997 as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Village of Albany, Louisiana as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 1997 on our consideration of the Village of Albany's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Village of Albany, Louisiana taken as a whole. The individual fund and account group financial statements and the schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Albany, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it has been presented in all material aspects in relation to the general purpose financial statements taken as a whole.



Bruce Barrell & Company, CPAs  
A Professional Accounting Corporation

December 1, 1997

## General Purpose Financial Statements

Village of Albany, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1997

	Governmental	Proprietary
	Fund Type	Fund Type
	General	Enterprise
<b>Assets</b>		
Cash and Cash Equivalents	\$ 184,750	\$ 187,884
Taxes Receivable	5,213	-
Accounts Receivable, Net	-	28,214
Due From Other Funds	11,863	-
Due From Other Governments	9,578	-
Due From Others	1,600	-
Restricted Assets:		
Cash	-	246,664
Fixed Assets	-	5,984,458
Accumulated Depreciation	-	(880,662)
Amount to be Provided for Loan Payments	-	-
<b>Total Assets</b>	<b>\$ 251,179</b>	<b>\$ 3,786,856</b>
<b>Liabilities and Equity</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 3,810	\$ 3,313
Other Accrued Expenses	874	638
Payable From Restricted Assets:		
Contract Deposits	-	38,319
Revenue Bonds	-	25,856
Due to Other Funds	-	51,668
Revenue Bonds Payable	-	1,478,649
Obligations Under Capital Lease Agreements	-	-
<b>Total Liabilities</b>	<b>4,584</b>	<b>1,857,427</b>
<b>Equity:</b>		
Contributed Capital	-	2,215,934
Accumulated Amortization	-	(805,836)
Investment in General Fixed Assets	-	-
Retained Earnings:		
Reserved for RECD Bond Reserve	-	78,271
Reserved for RECD Bond Depreciation & Contingency	-	64,737
Unreserved	-	299,199
<b>Fund Balance:</b>		
Unreserved - Undesignated	247,666	-
<b>Total Retained Earnings &amp; Fund Balance</b>	<b>247,666</b>	<b>432,307</b>
<b>Total Equity</b>	<b>247,666</b>	<b>2,549,186</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 251,179</b>	<b>\$ 3,786,856</b>

The accompanying notes are an integral part of these statements.

Statement A

Account Groups		Totals (Millions of Dollars)	
General Fixed Assets	General Long-Term Debt	1997	1996
\$ -	\$ -	\$ 372,617	\$ 337,283
-	-	8,215	4,572
-	-	38,734	38,358
-	-	31,683	21,839
-	-	9,376	16,475
-	-	1,808	-
-	-	246,664	225,136
138,765	-	4,115,163	4,077,276
-	-	(880,362)	(749,836)
-	6,389	6,888	12,544
<u>\$ 138,765</u>	<u>\$ 6,389</u>	<u>\$ 4,378,911</u>	<u>\$ 4,217,633</u>
\$ -	\$ -	\$ 7,278	\$ 17,545
-	-	1,902	2,205
-	-	39,183	34,368
-	-	21,854	21,348
-	-	31,683	21,839
-	-	1,428,857	1,442,268
-	6,389	6,789	12,544
-	6,389	1,548,440	1,681,756
-	-	2,221,814	2,321,814
-	-	(405,836)	(378,433)
338,765	-	138,765	109,884
-	-	78,271	61,967
-	-	64,337	58,884
-	-	208,268	267,812
-	-	247,584	246,658
-	-	680,591	624,507
138,765	-	3,827,653	3,614,877
<u>\$ 138,765</u>	<u>\$ 6,389</u>	<u>\$ 4,378,911</u>	<u>\$ 4,217,633</u>

Village of Albany, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Governmental Fund Type  
 For the Year Ended June 30, 1997

Statement B

	General Fund
<b>Revenues</b>	
Taxes	
Licenses and Permits	\$ 120,802
Intergovernmental	31,878
Fines and Forfeits	14,878
Garbage Collection Fees	32,885
Miscellaneous	12,047
Total Revenues	<u>212,990</u>
<b>Expenditures</b>	
General and Administrative	94,818
Public Safety	73,487
Streets and Sanitation	28,980
Capital Outlays	27,798
Total Expenditures	<u>225,183</u>
Excess of Revenues (Expenditures)	2,516
Fund Balance (Deficit), Beginning of Year	<u>244,879</u>
Fund Balance (Deficit), End of Year	<u>\$ 247,395</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 Governmental Fund Type - General Fund  
 For the Year Ended June 30, 2007

Statement C

Revenues	Budget	Actual	Variance Favorable (Unfavorable)
Taxes			
License and Permits	\$ 171,000	\$ 170,802	\$ (198)
Intergovernmental	18,000	35,879	17,879
Fees and Fines	12,000	14,874	2,874
Garbage Collection Fees	10,000	12,086	2,086
Miscellaneous	4,200	12,087	7,887
Total Revenues	<u>215,200</u>	<u>245,728</u>	<u>30,528</u>
Expenditures			
General and Administrative			
Public Safety	182,500	88,629	93,871
Street and Sanitation	22,500	21,407	1,093
Capital Outlay	30,000	28,898	1,102
Total Expenditures	<u>235,000</u>	<u>238,934</u>	<u>6,066</u>
Excess of Revenues (Expenditures)			
Fund Balance (Deficit), Beginning of Year	\$ (8,100)	3,383	\$ 11,483
Fund Balance (Deficit), End of Year		<u>245,009</u>	
		<u>\$ 247,934</u>	

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Statement of Revenues, Expenses, and Changes in Retained Earnings  
 Proprietary Fund Type - Enterprise Fund  
 For the Year Ended June 30, 1997

Statement D

<b>Operating Revenues</b>	
Water Sales	\$ 772,240
Service Charges	42,244
Service Connections	13,276
Fees/Chgs	6,570
Miscellaneous	127
Total Operating Revenues	<u>844,457</u>
<b>Operating Expenses</b>	
Water Department	149,518
Sanitary Department	112,468
Total Operating Expenses	<u>261,986</u>
<b>Net Operating Income (Loss)</b>	<u>582,471</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Income	22,241
Bond Interest Expense	<u>179,499</u>
Total Nonoperating Revenues (Expenses)	<u>157,250</u>
<b>Net Income (Loss)</b>	<u>739,721</u>
Unreserved Retained Earnings, Beginning of Year	612,584
Amortization of Contributions	247,812
Increase in Reserves	59,402
Unreserved Retained Earnings, End of Year	<u>1,160,522</u>
	\$ <u>260,791</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Statement E

Statement of Cash Flows  
 Proprietary Fund Type - Enterprise Fund  
 For the Year Ended June 30, 1997

<b>Cash Flows From Operating Activities</b>	
Operating Income	\$ 43,105
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used)	
by Operating Activities:	
Depreciation	110,414
Changes in Accounts Receivable	314
Changes in Due From Other Funds	13,261
Changes in Accounts Payable	(8,746)
Changes in Other Accrued Expenses	(71)
Changes in Payroll Taxes Payable	(94)
Changes in Due To Other Funds	(8,215)
Changes in Customer Deposits Payable	4,915
Net Cash Provided (Used) by Operating Activities	<u>158,551</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Payments for Capital Acquisitions	(116,975)
Interest Income	32,741
Interest Expense	(78,484)
Principal Repayments	(70,815)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(133,533)</u>
Net Increase (Decrease) in Cash	25,018
Cash, Beginning of Year	510,561
Cash, End of Year	<u>\$ 535,579</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Notes to Financial Statements

As of and for the Year Ended June 30, 1997

**INTRODUCTION**

The Village of Albany, Louisiana, was incorporated October 3, 1953, under the provisions of the Louisiana Act (LSA-RS 33:321). The Village operates under a Mayor/Board of Aldermen form of government.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

As the governing authority of the Village, for reporting purposes, the Village of Albany, Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (Village of Albany, Louisiana), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board (GASB) Statement No 14 established criteria for determining which component units should be considered part of the Village of Albany, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Village to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village of Albany, Louisiana.
2. Organizations for which the Village of Albany, Louisiana does not appoint a voting majority but are fiscally dependent on the Village of Albany, Louisiana.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Village of Albany, Louisiana has no component units.

Considered in the determination of component units of the reporting entity were the Livingston Parish Council, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 21st Judicial District. It was determined that these governmental entities are not component units of the Village of Albany, Louisiana reporting entity because they are separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Albany, Louisiana.

## Village of Albany, Louisiana

### Notes to Financial Statements As of and for the Year Ended June 30, 1997

#### **B. FUND ACCOUNTING**

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by aggregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Village are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and description of such existing fund types follow.

##### **Governmental Funds**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or disposition of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

##### **General Fund**

The General Fund is the principal fund of the Village's office and accounts for the operations of the Village's office. The Village's primary source of revenue is a sales tax authorized by LA-RS 53:271. Other sources of revenue include ad valorem taxes, franchise taxes, licenses, permits and fees. General operating expenditures are paid from this fund.

##### **Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

##### **Enterprise Fund**

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided the private determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

## Village of Albany, Louisiana

### Notes to Financial Statements As of and for the Year Ended June 30, 1997

#### C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures.

##### Revenues

Revenues are recognized when they become measurable and available as current assets.

##### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

#### D. BUDGET PRACTICES

The Village adopts budgets for the general fund and enterprise fund each year.

#### E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

#### F. INVENTORIES

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

#### G. RESTRICTED ASSETS

Contains proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

## Village of Albany, Louisiana

### Notes to Financial Statements As of and for the Year Ended June 30, 1997

Cash held for customers' money deposits and reserves required by bond covenants has been set aside in separate cash accounts and is also classified as restricted assets on the balance sheet.

#### H. FIXED ASSETS

General fixed assets are recorded at their purchased, and the related assets are capitalized (reported) in the general fixed assets account group. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Enterprise Fund fixed assets are included on the balance sheet of the fund. Interest costs incurred during construction are capitalized. Depreciation of all depreciable fixed assets is charged as an expense against operations. Depreciation is computed using the straight line method over the estimated useful lives of 5 to 40 years.

#### I. COMPENSATED ABSENCES

The Village has the following policy relating to vacation and sick leave:

The Village employee with one (1) year service is given five (5) days vacation leave; each employee with two (2) year service is given ten (10) days vacation leave.

Each employee earns sick leave at the rate of 1/32 day for each month worked. Sick leave is accumulated for an indefinite period with a maximum sick leave of twenty-five (25) days.

The cost of leave privileges, computed in accordance with GASB Codification Section C68, is recognized as a current-year expenditure in the governmental fund when leave is taken. Since the cost of leave privileges and reporting current resources is immaterial, no amount has been revealed in the general long-term obligation account group.

#### J. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

#### K. FUNDEQUITY

##### Contributed Capital

Grants, contributions, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to fund equity.

##### Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

Village of Abbeville, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1997

**Designated Fund Balance**

Designated fund balance represents tentative plans for future use of financial resources.

**L. TOTAL COLUMN ON BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**M. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**2. LEMVED TAXES**

On December 9, 1996, the Village approved an ordinance to increase a 4.87 millage of valorem tax for 1996. This is a permanent tax per constitutional authority, and is subject to annual renewal by the Village Board of Aldermen. Total Ad Valorem Taxes levied for the year ended December 31, 1996, were \$11,464. These taxes were due upon taxpayers' receipt of their tax bill and became delinquent January 1, 1997. Interest on unpaid Ad Valorem Taxes is added to the tax bill during March, 1997. Due to insurmountable and cost factor of collections, no liens are put against uncollected property upon uncollectibility of taxes.

**3. CASH AND CASH EQUIVALENTS**

As June 30, 1997, the Village has cash and cash equivalents (bank balances) totaling \$109,281, as follows:

Cash on Hand	\$	351
Interest-Bearing Demand Deposits		123,856
Time Deposits		181,874
Total	\$	<u>309,281</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or controlled bank that is mutually acceptable to both parties.

As June 30, 1997, the Village has \$826,150 in deposits (collected bank balances). These deposits are secured from risk by \$308,800 of Federal deposit insurance and \$708,150 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement 3, Louisiana Revised Statute 38:1325 imposes a statutory

Village of Albany, Louisiana

Notes to Financial Statements

As of and for the Year Ended June 30, 1997

requirement on the custodial bank to withdraw and sell the pledged securities within 30 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

At June 30, 1997, the Village had no investments.

5. RECEIVABLES

The receivables of \$33,427 at June 30, 1997, are as follows:

	Current	Delta	Over 60 Days	General Fund	Enterprise Fund
Public Utility Franchise Tax	\$ 3,213	\$ -	\$ -	\$ 3,213	\$ -
Accounts Receivable	20,992	3,618	1,614	-	26,704
Total	<u>\$ 24,195</u>	<u>\$ 3,618</u>	<u>\$ 1,614</u>	<u>\$ 3,213</u>	<u>\$ 26,704</u>

6. INTERFUND RECEIVABLE/PAYABLE

The interfund receivable/payable for the year ended June 30, 1997 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 31,663	\$ -
Enterprise Fund	-	31,663
Total	<u>\$ 31,663</u>	<u>\$ 31,663</u>

7. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

	General Fund
State of Louisiana	
Beverage Tax Distribution	\$ 680
Tobacco Tax Distribution	873
Video Poker Tax Distribution	827
Livingston Parish School Board	
Sales Tax Distribution	7,271
Total	<u>\$ 9,551</u>

8. DUE FROM OTHERS

At June 30, 1997, the Village had a total of \$1,000 due from the fiscal agent of the Village due to an error made by the fiscal agent.

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1997

9. RESTRICTED ASSETS - ENTERPRISE FUND

Restricted assets were applicable to the following:

RDCD Bond & Interest Redemption	
RDCD Bond Reserve	\$ 57,276
RDCD Depreciation & Contingency	78,271
Minor Deposits	64,757
Total	<u>198,304</u>

10. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in general fund assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 41,600	\$ -	\$ -	\$ 41,600
Water Improvements	4,477	14,210	-	20,687
Furniture and Fixtures	2,739	499	-	3,238
Vehicles and Equipment	19,138	4,311	-	23,449
Total	<u>\$ 67,954</u>	<u>\$ 18,820</u>	<u>\$ -</u>	<u>\$ 86,774</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1997 follows:

Description	Life Years	Cost	Accumulated Depreciation	Net	Depreciation This Year
Land	-	\$ 30,420	\$ -	\$ 30,420	\$ -
Buildings	20	85,857	44,573	22,894	3,445
Utility Equipment	30	84,809	60,500	24,289	9,871
Utility Truck	3	22,891	21,145	1,746	436
Office Equipment	10	28,389	6,286	14,003	3,714
Mail Boxes	10	992	737	255	54
Utility Street	10	3,451	2,899	1,052	243
Water System	40	459,791	185,936	273,855	11,497
Water System	40	39,972	16,485	13,487	999
Water System	40	256,500	147,063	209,437	8,813
Sanitary System	40	842,218	124,551	517,667	18,260
Sanitary System	40	540,751	117,054	423,697	17,579
Sanitary System	40	1,621,091	224,838	1,496,252	40,427
Sanitary System	40	37,608	2,827	34,812	942
Sanitary System	40	12,800	594	12,207	313
Water System	40	11,812	207	11,605	229
Total		<u>\$ 3,924,428</u>	<u>\$ 880,752</u>	<u>\$ 3,043,676</u>	<u>\$ 118,437</u>

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1997

A summary of changes in proprietary fixed-type property, plant and equipment at June 30, 1997 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Cost	\$ 1,867,483	\$ 36,976	\$ -	\$ 1,904,459
Accumulated Depreciation	6748,818	(118,624)	-	6630,194
Net	\$ 1,217,244	\$ 25,141	\$ -	\$ 1,242,385

All assets are depreciated by the straight-line method.

11. CONTRIBUTED CAPITAL

Contributions toward the cost of utility plant and engineering services have been received as follows:

U.S. Government - REED	
U.S. Government - EPA	\$ 150,508
Louisiana Department of Transportation	673,748
Village of Albany, Louisiana - General Fund	33,977
U.S. Government - LCEHDG	5,082
U.S. Government - REED	37,689
Private - Carriers Project	1,147,330
Total Contributions	<u>12,800</u>
Accumulated Amortization	2,271,914
Net Contributed Capital	<u>648,871</u>
	\$ 1,815,009

12. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Village of Albany, Louisiana for the year ended June 30, 1997:

Bonds Payable, July 1, 1996	
Bonds Issued	\$ 1,463,400
Bonds Retired	-
Bonds Payable, June 30, 1997	<u>(28,881)</u>
	\$ 1,434,519

Village of Albany, Louisiana

Notes to Financial Statements

As of and for the Year Ended June 30, 1997

Bonds Payable at June 30, 1997 are comprised of the following individual issues:

Water System Revenue Bonds - RECD Bonds 91-01:

\$525,000 utility bonds sold to Rural Economic and Community Development, dated 4/4/78, due in annual installments of \$5,000-\$25,000 through August 3, 2017; interest at 5%

\$ 184,000

Water System Revenue Bonds - RECD Bonds 81-02:

\$375,000 water revenue bonds sold to Rural Economic and Community Development, dated 2/25/80, due in annual installments over a 48 year period after the system becomes revenue producing; interest at 5.34%

302,888

Sewer System Revenue Bonds - RECD Bonds 81-03:

\$450,000 sewer revenue bonds sold to Rural Economic and Community Development, dated 4/11/80, due in monthly installments of \$1,249 through April 15, 2030; interest at 5.14%

442,718

Sewer System Revenue Bonds - RECD Bonds 92-05:

\$25,000 sewer revenue bonds sold to Rural Economic and Community Development, dated 4/11/90, due in monthly installments of \$377 through April 15, 2030; interest at 5.14%

72,907

\$ 1,402,513

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments of \$1,402,513 are as follows:

Year Ended June 30	RECD Bonds 91-01	RECD Bonds 91-02	RECD Bonds 91-03	RECD Bonds 92-05	Total Payments
1998	\$ 38,435	\$ 37,277	\$ 27,464	\$ 4,527	\$ 107,603
1999	38,858	37,277	27,464	4,527	108,116
2000	38,258	37,277	27,464	4,527	107,518
2001	38,625	37,277	27,464	4,527	107,893
2002	38,975	37,277	27,464	4,527	108,243
2003 - 2007	108,975	106,389	107,328	22,635	445,315
2008 - 2012	152,080	186,389	107,328	22,635	468,340
2013 - 2017	150,735	186,389	107,328	22,635	467,077
2018 - 2022	29,725	186,389	107,328	22,635	376,065
2023 - 2027	-	186,389	107,328	22,635	316,340
2028 - 2032	-	34,852	107,328	22,635	164,807
2033	-	-	23,880	3,719	27,599
	\$ 645,680	\$ 1,103,062	\$ 984,035	\$ 167,704	\$ 2,900,481

1A. FLOW OF FUNDS - RESTRICTIONS ON USE (WATER AND SEWER SYSTEM REVENUE BONDS)

The voters of the Village of Albany, Louisiana approved the issuance of \$518,000 Utility Revenue Bonds in an election held May 7, 1977. The governing authority adopted a resolution on July 12, 1977, and subsequently amended on

Village of Albany, Louisiana

Notes to Financial Statements

As of and for the Year Ended June 30, 1997

August 8, 1977, and January 3, 1978, authorizing issuance of \$525,000 of Utility Revenue Bonds. The proceeds of the bonds are restricted for use in acquiring through purchase, improvement and construction of a waterworks system and subject to the provisions of the above referenced resolutions. In connection with the project, the Village was approved for grants from Rural Economic and Community Development (RECECD) of the United States of America to the amount of \$334,560. The Village sold \$313,000 of the authorized bonds to Rural Economic and Community Development. The bonds were issued for forty (40) years payable with interest at the rate of five percent (5%) per annum. The bonds and any installments may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment.

\$60,000 of the proceeds were used prior to June 30, 1978, to acquire an existing water system and \$253,614 has been used in improvements and additional construction of the new waterworks system. During the fiscal year ended June 30, 1980, the Village received a grant of \$38,917 from the State of Louisiana, Department of Transportation and Development to be used in the project.

A resolution authorizing the issuance of \$525,000 of Water Revenue Bonds of the Village of Albany, State of Louisiana, to acquire and construct improvements and extensions to the waterworks system of the Village was adopted December 14, 1983. The bonds were sold to Rural Economic and Community Development and are due in forty (40) annual payments with interest calculated on unpaid principal at a rate of five and three-fourth percent (5 3/4%) per annum. The Village may prepay the whole or any part of the principal amount of any installment at any time in arrears chronological order at the principal amount thereof and accrued interest to the date fixed for prepayment.

A resolution authorizing the issuance of \$500,000 of Sewer Revenue Bonds of the Village of Albany, State of Louisiana, for the improvement and construction of a sewerage system of the Village was adopted October 14, 1991. The bonds were sold to Rural Economic and Community Development and are due in monthly installments of \$2,894 for forty (40) years with interest rate of five and one-fourth percent (5 1/4%) per annum. The Village may repay the whole or any part of the principal amount at any time. Under the terms of the bond proceeds to the Village, the revenue bonds are payable as to principal and interest solely from the income and revenues derived from the operation of the combined utility system of the Village after provision has been made for the payment of the reasonable and necessary expenses of administering, operating, and maintaining the system. These bonds do not constitute an indebtedness or pledge of the general credit of the Village within the meaning of any constitutional or statutory limitation of indebtedness.

Each month there will be set aside into a fund called "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest due on the next interest payment due, and, in addition, a sum equal to one-twelfth (1/12) of the principal payment due, together with such proportionate sums as may be required on the same respectively before the next date. Money in the Sinking Funds shall be deposited as Trust Funds and shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due, and may be used only for such payments. As of June 30, 1997, the Sinking Fund was fully funded with a balance of \$17,233.

There shall also be set aside into a "Utility System Bond Reserve Fund" a sum equal to five percent (5%) of the monthly bond payment, or \$118 after the construction business revenue producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default. As of June 30, 1997, the Reserve Fund was fully funded with a balance of \$78,271.

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1997

Funds will also be set into a "Depreciation and Contingency Fund" after completion of the project at the rate of \$495 per month until the balance in this fund amounts to the maximum required by RESD. Money in this fund will be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue-producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the other bond funds. As of June 30, 1997, the Depreciation and Contingency Fund was fully funded with a balance of \$64,777.

All the revenues received in any fiscal year and not required to be paid in each fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

14. COMPENSATION PAID ELECTED OFFICIALS

<u>Name, Title, Address, Telephone</u>	<u>Compensation</u>	<u>Term of Office</u>
Thomas Stewart, Mayor Post Office Box 1346 Albany, LA 70711 504/563-2716	\$ 3,480	06/01/97 Through 12/31/98
Jessie Fletcher, Alderman Post Office Box 417 Albany, LA 70711 504/563-9887	630	06/01/97 Through 12/31/98
Edmond Harris, Alderman Post Office Box 303 Albany, LA 70711 504/563-3138	630	06/01/97 Through 12/31/98
Barry GWM, Alderwoman Post Office Box 89 Albany, LA 70711 504/563-5789	630	06/01/97 Through 12/31/98
Russell Hutchinson, Police Chief Post Office Box 273 Albany, LA 70711 504/563-7982	22,614	06/01/97 Through 12/31/98
	<u>\$ 28,384</u>	

Village of Albany, Louisiana

Notes to Financial Statements  
As of and for the Year Ended June 30, 1997

15. LEASES

The Village of Albany, Louisiana records leases under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital leases at June 30, 1997:

	Recorded Amount
Vehicles	\$ 19,200
Total	<u>\$ 19,200</u>

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of June 30, 1997:

	Vehicles
Fiscal Year Ending June 30, 1998	\$ 6,816
Amount Representing Interest	(411)
Present Value of Net Minimum Lease Payments	<u>\$ 6,405</u>

16. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

GASB Statement 24 requires that on-behalf payments for fringe benefits and salaries be recognized as revenues and expenditures as expenses. During the fiscal year ended June 30, 1993, a total of \$3,364 was received by police officers of the Village and was recognized as revenue and expenditures within the general fund financial statements of the Village of Albany, Louisiana.

Financial Statements of Individual Funds  
And Account Groups

## General Fund

To account for revenues traditionally associated with governments which are not required to be accounted for in another fund.

Village of Abbeville, Louisiana

Schedule 1

Balance Sheet  
 General Fund  
 June 30, 1997

**Assets**

Cash and Cash Equivalents	\$	384,755
Taxes Receivable:		
Public Utility Franchise Tax		5,914
Due From Other Funds:		
Enterprise Fund		91,663
Due From Other Governments:		
State of Louisiana:		
Tobacco Tax Distribution		921
Beverage Tax Distribution		689
Video Poker Tax Distribution		927
Livingston Parish School Board:		
Sales Tax		7,371
Due From Others:		
Hancock Bank		1,808
Total Assets	\$	<u>552,979</u>

**Liabilities and Fund Balance**

Liabilities:		
Accounts Payable	\$	3,911
Payroll Withholding Payable		674
Total Liabilities		<u>4,585</u>
Fund Balance:		
Unreserved - Undesignated		347,993
Total Fund Balance		<u>347,993</u>
Total Liabilities and Fund Balance	\$	<u>552,178</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 3

Schedule of Expenditures Compared to Budget (GAAP Basis)  
 General Fund  
 For the Year Ended June 30, 1995

	Budget	Actual	Variance Favorable (Unfavorable)
<b>General and Administrative</b>			
Mayor and Aldermen	\$ 5,000	\$ 4,978	\$ (22)
Clerical Salaries	18,480	18,368	112
Dues, Subscriptions, and Printing	11,780	18,508	6,728
Professional Services	35,080	17,717	(17,363)
Utilities and Telephone	2,880	3,852	972
Office Supplies and Postage	3,000	2,731	269
Insurance and Bonds	20,800	19,712	1,088
Payroll Taxes - All Departments	7,800	6,821	979
Gasoline Expense - All Departments	4,400	4,631	231
Miscellaneous	3,420	5,567	2,147
<b>Total General and Administrative</b>	<u>187,580</u>	<u>99,672</u>	<u>87,908</u>
<b>Public Safety</b>			
Police Department:			
Salaries	52,500	52,260	240
Aide Expense	4,500	3,788	712
Supplies and Prisoner Expense	5,000	5,593	593
Capital Lease - Principal Payments	6,000	5,950	50
Capital Lease Interest Payments	900	991	91
<b>Total Public Safety</b>	<u>70,900</u>	<u>71,491</u>	<u>591</u>
<b>Street and Sanitation</b>			
Materials and Supplies	19,100	19,341	241
Garbage Pickup	15,000	14,176	824
Animal Control	380	280	100
<b>Total Street and Sanitation</b>	<u>34,480</u>	<u>33,797</u>	<u>683</u>
<b>Capital Outlay</b>			
General and Administrative	18,580	28,538	10,958
Police	4,180	4,111	69
Streets	-	3,878	3,878
<b>Total Capital Outlay</b>	<u>22,760</u>	<u>36,527</u>	<u>13,767</u>
<b>Total Expenditures</b>	<u>\$ 245,820</u>	<u>\$ 176,487</u>	<u>\$ 69,333</u>

The accompanying notes are an integral part of these statements.

## Proprietary Fund

*Enterprise Fund - To account for the provision of water and sewer services to customers and residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.*

Village of Abbeville, Louisiana

Schedule 4

Balance Sheet  
Enterprise Fund  
June 30, 1997

Assets

Current Assets:

Cash	\$ 387,894
Accounts Receivable, Net	78,214
Total Current Assets	<u>466,108</u>

Restricted Assets:

Fund and Interest Redemption Account, Cash	57,215
Fund Reserve Account, Cash	78,211
Depreciation and Contingency Account, Cash	64,217
Customer Deposits, Cash	48,361
Total Restricted Assets	<u>248,004</u>

Property, Plant, and Equipment:

Land	38,419
Building	68,867
Utility Plant, in Service	1,737,061
Equipment	138,099
Total Property, Plant, and Equipment	<u>2,082,446</u>
Accumulated Depreciation	<u>(894,387)</u>
Net Property, Plant, and Equipment	<u>1,188,059</u>
Total Assets	<u>\$ 3,762,158</u>

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 4

Balance Sheet  
Enterprise Fund  
June 30, 1997

Liabilities and Equity

Liabilities:

Current Liabilities (Payable from Current Assets):

Accounts Payable	\$ 3,217
Sales Tax Payable	129
Payroll Taxes Payable	197
Due to Other Funds	51,660

Total Current Liabilities (Payable from Current Assets)

55,603

Current Liabilities (Payable from Restricted Assets):

Customers' Deposits	78,213
Revenue Bonds Payable, RECD	71,854

Total Current Liabilities (Payable from Restricted Assets)

150,067

Long-Term Liabilities:

Revenue Bonds Payable, RECD	1,420,690
-----------------------------	-----------

Total Long-Term Liabilities

1,420,690

Total Liabilities 1,626,360

Equity:

Contributed Capital	2,271,914
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Accumulated Amortization	(463,872)
--------------------------	-----------

Net Contributed Capital	<u>1,808,042</u>
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Retained Earnings:

Reserved for RECD Bond Reserve	78,213
--------------------------------	--------

Reserved for RECD Bond Depreciation and Contingency	64,537
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Unreserved	298,269
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Total Retained Earnings 440,999

Total Equity 2,249,041

Total Liabilities and Equity \$ 3,875,401

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 5

Schedule of Revenues, Expenses, and Changes in Retained Earnings  
Budget and Actual  
Enterprise Fund  
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
<b>Water Revenues</b>			
Water Sales	\$ 118,800	\$ 121,288	\$ 2,488
Service Connections	14,800	13,419	(1,381)
Fees/Chgs	6,200	6,678	478
Miscellaneous	200	132	(68)
<b>Total Water Revenues</b>	<u>240,000</u>	<u>242,507</u>	<u>2,507</u>
<b>Sewer Revenues</b>			
Sewer Charges	62,600	62,344	(256)
Service Connections	-	338	338
<b>Total Sewer Revenues</b>	<u>62,600</u>	<u>62,682</u>	<u>82</u>
<b>Total Operating Revenues</b>	<u>302,600</u>	<u>305,189</u>	<u>2,589</u>
<b>Operating Expenses</b>			
Salaries	62,600	62,144	456
Meter Reading	4,200	3,193	1,007
Contract/Maintenance	12,800	13,855	(1,055)
Maintenance Materials	18,800	18,719	81
Advertising	100	70	30
Repairs & Maintenance	2,800	3,813	(1,013)
Uniform Rental	2,200	2,108	92
Truck Expense	8,200	5,717	2,483
Office Supplies and Expense	2,800	4,817	(2,017)
Postage	2,200	2,843	(643)
Utilities	28,800	28,185	615
Insurance	16,200	13,818	2,382
Professional Services	12,400	12,732	(332)
Janitorial Services	2,800	2,238	562
Payroll Taxes	2,800	3,842	(1,042)
Education/Certification	1,000	945	55
Depreciation	103,800	118,434	(14,634)
Miscellaneous	200	37	163
Bad Debt Expense	200	1,253	(1,053)
<b>Total Operating Expenses</b>	<u>372,200</u>	<u>361,898</u>	<u>10,302</u>
<b>Net Operating Income</b>	<u>30,400</u>	<u>43,291</u>	<u>(12,891)</u>

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule B

Schedule of Revenues, Expenses, and Changes in Retained Earnings  
Budget and Actual  
Enterprise Fund  
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Nonoperating Revenues (Expenses)			
Interest Income	\$ 21,408	\$ 21,741	\$ 333
Bond Interest Expense	(78,400)	(78,400)	000
Other Nonoperating Revenues	000	-	000
Total Nonoperating Revenues (Expenses)	<u>(56,992)</u>	<u>(56,659)</u>	<u>333</u>
Net Income (Loss)	\$ <u>(28,193)</u>	<u>(32,558)</u>	\$ <u>4,365</u>
Unreserved Retained Earnings, Beginning of Year		361,812	
Amortization of Contributions		55,800	
Increase in Reserves		<u>(28,452)</u>	
Unreserved Retained Earnings, End of Year		<u>\$ 389,160</u>	

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule C

Schedule of Revenues and Expenses  
Budget and Actual  
Water Department  
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues - Water</b>			
Water Sales	\$ 218,808	\$ 221,280	\$ 2,472
Service Connections	14,808	33,425	18,617
Fees/Chgs	6,808	6,470	(338)
Miscellaneous	208	123	(85)
Total Operating Revenues - Water	<u>239,508</u>	<u>261,298</u>	<u>21,790</u>
<b>Operating Expenses - Water</b>			
Salaries	28,800	27,829	971
Meter Reading	4,700	3,793	897
Contract Services	8,000	9,842	(1,842)
Maintenance Materials	12,500	6,867	5,633
Advertising	100	73	27
Repairs & Maintenance	900	938	(38)
Uniform Rental	3,700	2,008	1,692
Travel Expense	4,100	3,713	387
Office Supplies and Expense	3,000	3,883	(883)
Postage	3,200	2,943	257
Utilities	18,200	19,442	(1,242)
Insurance	6,300	6,483	(183)
Professional Services	15,400	12,332	3,068
Janitorial Services	2,600	2,238	362
Payroll Taxes	3,500	2,854	646
Education/Certification	3,100	943	2,157
Depreciation	17,000	18,504	(1,504)
Miscellaneous	180	37	143
Bad Debt Expense	-	994	(994)
Total Operating Expenses - Water	<u>157,180</u>	<u>148,518</u>	<u>8,662</u>
<b>Net Operating Income - Water</b>	<u>82,328</u>	<u>112,780</u>	<u>30,452</u>
<b>Nonoperating Revenues (Expenses) - Water</b>			
Interest Income	11,780	12,376	(596)
Bad Interest Expense	(51,080)	(51,112)	32
Other Nonoperating Revenues	620	-	620
Total Nonoperating Revenues (Expenses)	<u>(38,680)</u>	<u>(38,736)</u>	<u>56</u>
<b>Net Income (Loss) - Water</b>	<u>\$ 43,648</u>	<u>\$ 74,044</u>	<u>\$ 30,396</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 2

Schedule of Revenues and Expenses  
Budget and Actual  
Sewer Department  
For the Year Ended June 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues - Sewer</b>			
Sewer Charges			
Service Connections	\$ 62,680	\$ 62,344	\$ (336)
Total Operating Revenues - Sewer	<u>62,680</u>	<u>62,344</u>	<u>(336)</u>
<b>Operating Expenses - Sewer</b>			
Salaries	14,500	14,315	185
Contract Services	3,680	3,253	427
Maintenance Materials	4,480	4,282	198
Repairs & Maintenance	1,900	2,993	(1,093)
Office Supplies and Expenses	-	178	(178)
Utilities	8,800	8,743	57
Insurance	6,400	6,537	(137)
Payroll Taxes	1,680	688	992
Depreciation	30,880	30,920	(40)
Miscellaneous	300	-	300
Bad Debt Expense	300	382	(82)
Total Operating Expenses - Sewer	<u>112,820</u>	<u>112,468</u>	<u>352</u>
Net Operating Income - Sewer	<u>(10,140)</u>	<u>(10,124)</u>	<u>16</u>
<b>Nonoperating Revenues (Expenses) - Sewer</b>			
Interest Income	10,400	10,360	40
Bad Debt Expense	(21,200)	(21,200)	-
Total Nonoperating Revenues (Expenses)	<u>(10,800)</u>	<u>(10,840)</u>	<u>40</u>
Net Income (Loss) - Sewer	\$ <u>(20,940)</u>	\$ <u>(20,984)</u>	\$ <u>44</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule B

Schedule of Cash Flows  
 Proprietary Fund Type - Enterprise Fund  
 For the Year Ended June 30, 1997

<b>Cash Flows From Operating Activities</b>	
Operating Income	\$ 43,366
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used)	
by Operating Activities:	
Depreciation	180,474
Changes in Accounts Receivable	244
Changes in Due From Other Funds	13,263
Changes in Accounts Payable	(8,799)
Changes in Other Accrued Expenses	(719)
Changes in Fiscal Years Payable	(56)
Changes in Due To Other Funds	16,713
Changes in Customer Deposits Payable	4,981
Net Cash Provided (Used) by Operating Activities	<u>156,516</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Payments for Capital Acquisitions	(16,004)
Interest Income	22,241
Interest Expense	(28,494)
Principal Payments	(28,861)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(40,928)</u>
Net Increase (Decrease) in Cash	115,588
Cash, Beginning of Year	221,591
Cash, End of Year	<u>\$ 337,179</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 9

Schedule of Changes in Assets Restricted for RECD Revenue Bond Debt Service  
Enterprise Fund  
For the Year Ended June 30, 1997

	Bond and Interest Expenditures	Bond Receipts	Depreciation and Contingency	Total
Cash Balance, Beginning of Year	\$ 54,811	\$ 62,567	\$ 99,964	\$ 177,422
Cash Receipts	68,631	15,784	4,350	98,888
Cash Disbursements	(82,127)	-	-	(82,127)
Cash Balance, End of Year	\$ 41,315	\$ 78,371	\$ 104,314	\$ 224,000

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule of Water and Sewer Rates  
Enterprise Fund  
June 30, 1997

Schedule 20

Water Rates

Residential:

- \$18.50 per month for the first 2,000 gallons
- \$1.50 per thousand or part thereof for the next 2,000 gallons
- \$1.00 per thousand or part thereof for the next 4,000 gallons
- \$0.80 per thousand or part thereof over 10,000 gallons

Commercial:

- \$28.00 per month for the first 10,000 gallons
- \$0.88 per thousand or part thereof over 10,000 gallons

Customers at June 30, 1997:

Residential	1,800
Commercial	<u>35</u>
Total	<u>1,835</u>

Sewer Rates

Residential:

- \$12.00 per month plus \$0.80 per thousand gallons

Commercial:

- \$20.00 per month plus \$0.80 per thousand gallons

Customers at June 30, 1997:

Residential	199
Commercial	<u>10</u>
Total	<u>209</u>

The accompanying notes are an integral part of these statements.

## General Fixed Assets

*To account for fixed assets not used in proprietary fund operations.*

Village of Albany, Louisiana  
Schedule of General Fixed Assets  
June 30, 2007

Schedule 11

<b>General Fixed Assets, at Cost</b>		
Land		
Office Improvements	\$	41,900
Furniture and Fixtures		30,647
Vehicles and Equipment		5,779
Total General Fixed Assets	\$	<u>78,326</u>
<b>Investment in General Fixed Assets</b>		
General Fund	\$	125,852
State Grant		1,570
Police Emergency Fund		4,600
Total Investment in General Fixed Assets	\$	<u>132,022</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 12

Schedule of Changes in General Fixed Assets  
For the Year Ended June 30, 1997

	Balance			Balance June 30, 1997
	July 1, 1996	Additions	Deletions	
Land	\$ 41,000	\$ -	\$ -	\$ 41,000
Office Improvements	4,477	18,230	-	22,707
Furniture and Fixtures	5,259	480	-	5,739
Vehicles and Equipment	92,178	5,111	-	97,289
Total	\$ 138,914	\$ 23,821	\$ -	\$ 162,735

The accompanying notes are an integral part of these statements.

Schedule of Expenditures of  
Federal Awards

Village of Abbeville, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 1997

<u>Federal Grantor Pass-Through Grantor Program Name</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Cost/ Account Revenue Expensing</u>	<u>Receipts/ Revenue Recognized</u>
United States Department of Transportation Through Louisiana Highway Safety Commission Seasonal Holiday Safe and Sober Campaign Project Number 9310-31	28-600	\$ <u>878</u> \$ <u>878</u>	\$ <u>-</u> \$ <u>-</u>	\$ <u>878</u> \$ <u>878</u>
<u>Federal Grantor Pass-Through Grantor Program Name</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Loan Balances Expensing</u>	<u>Principal Receipts</u>
United States Department of Agriculture Through Rural Economic and Community Development Water and Waste Disposal Systems for Rural Communities				
Loan Repayment, Loan 91-01	16-418	\$ 510,000	\$ 494,808	\$ -
Loan Repayment, Loan 91-02	16-418	515,000	509,800	-
Loan Repayment, Loan 92-03	16-418	405,000	448,771	-
Loan Repayment, Loan 93-03	16-418	75,000	73,648	-
		\$ <u>1,625,000</u>	\$ <u>1,467,227</u>	\$ <u>-</u>

The accompanying notes are an integral part of these statements.

Schedule D3

<u>Disbursements/ Expenses</u>	<u>Cash/ Accrual Revenue Ending</u>
------------------------------------	---

\$ <u>(873)</u>	\$ <u>        </u>
\$ <u>(873)</u>	\$ <u>        </u>

<u>Principal Repayments</u>	<u>Loan Balance Ending</u>
---------------------------------	------------------------------------

\$ 110,000	\$ 100,000
9,119	510,000
(4,000)	442,788
(219)	21,527
\$ <u>(28,865)</u>	\$ <u>1,482,351</u>

## Supplemental Information

Village of Albany, Louisiana

Schedule 14

SCHEDULE OF INSURANCE - ALL FUND TYPES  
June 30, 1997

Insurance Company	Coverage	Amount	Period
Titus Insurance Company Renewal of Policy Number 5084P01735C1	Commercial General Liability	\$ 500,000	07/17/96 - 07/17/97
Titus Insurance Company Renewal of Policy Number 514D00094C1	Errors or Omissions: Public Officials Liability	\$ 100,000	07/17/96 - 07/17/97
Titus Insurance Company Renewal of Policy Number 20FL02185C1	Law Enforcement Officers Liability	\$ 500,000	07/17/96 - 07/17/97
Titus Insurance Company Renewal of Policy Number 39B485306C1	Business Auto Policy	\$ 500,000	07/17/96 - 07/17/97
Titus Insurance Company Renewal of Policy Number 5084P01735C1	Commercial Property: Buildings Personal Property	\$ 100,000 40,000	07/17/96 - 07/17/97
Titus Insurance Company Renewal of Policy Number 6056P01775C1	Commercial Inland Marine	\$ 100,250	07/17/96 - 07/17/97
Risk Management, Inc. Policy Number 015408	Workers Compensation	\$ Statutory Limits	07/17/96 - 07/17/97
Western Surety Company Policy Number 01547600	Fidelity Bond	\$ 5,000	10/15/96 - 10/15/97
Western Surety Company Policy Number 01528690	Right of Way Bond	\$ 7,320	04/01/97 - 04/01/98
Western Surety Company Policy Number 00143638	Fidelity Bond	\$ 100,000	02/13/97 - 02/13/98

The accompanying notes are an integral part of these statements.

## Other Auditor's Reports

Bruce C. Harrell, CPA

Thomas A. Pugh, CPA  
Michael D. Ewing, CPA  
Dale R. Smith, CPA  
Charles E. Hines, CPA  
David D. Roberts, CPA

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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

The Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have audited the general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 1, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether the Village of Albany, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Albany, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we did obtain certain evidence involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of Albany's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Due to lack of personnel, the Village of Albany, Louisiana is not able to have proper segregation of duties.

Page 2

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting, would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to the management of the Village of Albany in a separate letter dated December 1, 1997.

This report is intended for the information of management, the Louisiana Legislative Auditor and the Federal Cognizant Agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Bruce Harrell & Company, LPAs  
A Professional Accounting Corporation

December 1, 1997

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MEMBER

American Institute of Certified  
Public Accountants (CPA)

**MANAGEMENT LETTER**

December 1, 1997

To the Honorable Mayor, Thomas Stewart  
and Members of the Board of Aldermen  
Village of Albany, Louisiana

We have examined the financial statements of the Village of Albany, Louisiana, for the year ended June 30, 1997, and have issued our report dated December 1, 1997. In planning and performing our audit, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and did not provide assurance on the internal control structure. However, we noted certain weaknesses in the internal control structure, and certain instances of compliance to laws and regulations that, if corrected, would improve the ability of management of the Village of Albany to record, process, summarize, and report financial data consistent with the assertions of management. All of the weaknesses in internal control listed below, the audit recommendations, and management responses, are a continuation of recommendations noted in the prior fiscal year management letter. Any recommendations specifically related to compliance to laws and regulations is listed separately in applicable auditee's reports.

**Accounts Receivable Reconciliation - Utility System**

**Current Year Weaknesses:**

In the three prior fiscal years, we noted that in order to insure that accounts receivable are properly valued, a monthly accounts receivable reconciliation procedure must be completed. This reconciliation procedure must begin with the prior month's reconciled accounts receivable balance, less current month utility billings, sales tax, penalties, debit/credit memos, and payments on account, in balance to the customer transaction register balance per debit statement. The customer transaction register must then be reconciled to the general ledger control accounts receivable control account. As a control on the reconciliation process, the amount used for customer payments is taken from the monthly bank reconciliation, and not the total of payments being input into the utility billing system. The objective for the accounts receivable reconciliation process is to standardize procedures in the utility billing system, minimizing any adjustments to actual for accounts receivable.

Monthly accounts receivable reconciliations are not being completed.

**BRUCE BARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter - Village of Albany  
Page 2

**Audit Recommendation:**

We recommend that the Village of Albany complete monthly accounts receivable reconciliations, and submit these reconciliations to the Mayor for review by the BOE of the following month. This procedure is necessary to properly value accounts receivable and to insure that errors in utility billing processing are identified and corrected in a timely manner.

**Management Response:**

We will complete monthly accounts receivable reconciliations.

**Write-off of Bad Debts:**

**Current Year Weaknesses:**

We noted that numerous customer accounts, approved for write-off as bad debts in the prior fiscal year, were still included in the accounts receivable balance at June 30, 1997. For accounts receivable to be properly valued, accounts written off should be removed from the utility accounts receivable system as they are approved for write-off by the board of aldermen.

**Audit Recommendation:**

We recommend that the Village of Albany immediately update its utility billing system and delete any accounts approved for write-off. To maintain a permanent record of these accounts, customer balances written off may then be recorded separately.

**Management Response:**

We are in the process of updating our utility billing system, will write-off all accounts still carried in the utility billing system, and will, in the future, remove customer accounts as they are approved for write-off.

**Payroll and Related Liabilities**

**Current Year Weaknesses:**

We noted in the prior fiscal year that payroll records were difficult to reconcile due to the lack of a clear audit trail.

**Audit Recommendation:**

Our audit recommendation was that payroll be computed and recorded on computer spreadsheets, in order to insure that payroll is properly valued, and an adequate audit trail is maintained.

**BRUCE HARRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter - Village of Albany  
Page 2

**Management Response:**

The board of aldermen approved purchase of a payroll program. This program is to be implemented in January, 1992.

**Organizational Structure and Other Administrative Matters**

**Current Year Weaknesses:**

In the prior fiscal year it was noted that quarterly financial reports were not being submitted on a timely basis to the USDA Rural Development Office. During the fiscal year ending June 30, 1991, these reports were submitted as required, but were often up to thirty days past the due date. In addition, we had recommended that monthly budget-to-actual financial reports be submitted to the Board of Aldermen. Monthly reports are not being prepared.

**Audit Recommendations:**

We recommended that general ledger processing be completed on a more timely basis, and that monthly financial statements be submitted to the Board of Aldermen.

**Management Response:**

Financial statements are being submitted as required to the USDA Rural Development office. We will revise our schedule to submit these reports on a more timely basis, and will submit monthly financial reports to the board of aldermen.

It has been our pleasure to perform this financial audit for you. We will be glad to meet with you in trying to provide assistance in implementing the above recommendations.

Respectfully submitted,



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation